

**477-000-050 – Property Excluded Regardless of Value**

Property is excluded regardless of its value if a medical assistance client uses it in a trade or business. The client may be an employee who is required to use the property for his/her work or a self-employed individual who uses the property for his/her business.

**EXAMPLE 1:**

Mr. Brown owns his own construction business. He owns a garage and lot adjacent to his home in which he stores materials, supplies, and equipment used in his business. He maintains a checking account for the business with a current balance of \$1,200.

The garage, lot, checking account, and all materials, supplies, and equipment used for his business are an excluded resource.

**EXAMPLE 2:**

Mr. Black owns his own hog confinement business. This includes several confinement buildings and the 10 acres they are situated on, 40 acres of farm land used to raise grain for feed, two tractors, a combine, many equipment and machinery items, other supplies for the business, and 50 hogs. He is actively engaged in the day-to-day operation as a primary means of earning a livelihood by performing the labor and making the decisions for the operation.

All land, buildings, livestock, machinery, and other equipment or supplies used for his business are an excluded resource.

Note: If Mr Black owned the operation but contracted out the labor, it would not be excluded because he is not performing a primary work effort.

**EXAMPLE 3:**

Mr. Green is employed by a local construction company as a carpenter. He is required by his employer to provide all his own tools and necessary equipment for carpentry.

All tools and equipment required by the employer for work are an excluded resource.

**EXAMPLE 4:**

Mr. Blue is employed by a Feed and Seed Sales company as a salesman. His office is in his home. He has a home computer and other office equipment which he uses for activities necessary to his employment as salesman.

The home computer and other office equipment are excluded resources.

**NONBUSINESS PROPERTY EXCLUDED UP TO \$6,000 EQUITY**

Nonbusiness property that is used to produce goods or services essential to daily activities is an excluded resource up to \$6,000 equity.

**EXAMPLE 5:**

Mrs. Gray owns an extra lot adjacent to her home. The market value of this lot is \$7,000 and there is a city lien against it for \$2,000. Equity value of the lot is \$5,000. Mrs. Gray uses the lot for a garden.

The extra lot is an excluded resource because the equity value is less than \$6,000 and it is used to produce goods for home consumption.

**EXAMPLE 6:**

Mrs. Mauve is buying two acres of pasture adjacent to her home with a market value of \$8,000. She still owes \$2,000 on the property so the equity value is \$6,000. She uses the two acres of pasture to maintain livestock for food. She also has a tractor valued at \$2,000 which is used to haul feed and water to the livestock.

The first \$6,000 of equity value on the acreage and tractor is an excluded resource since they are used to produce goods for home consumption. \$2,000 is a countable resource.